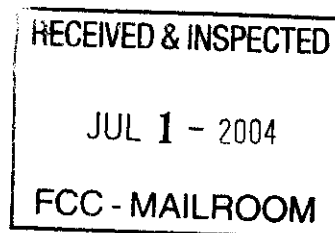


3340 West Market St.
Akron, OH 44333
1.888.FIRSTCO



June 30, 2004

VIA OVERNIGHT MAIL

Marlene H. Dortch, Secretary
Federal Communication Commission
Office of Secretary
9300 East Hampton Drive
Capitol Heights, MD 20743

Re: CC Docket No. 96-128

Ms. Dortch:

Please find enclosed an original and 4 copies of our Payphone Call Tracking System Audit Report regarding our compliance with section 64.1310(a)(1) of CC Docket No. 96-128.

You or any of your representatives may contact me at 330-835-2439, or msharpless@firstcomm.com if I can be of assistance answering any questions.

Best regards,

A handwritten signature in black ink, appearing to read "Marvin E. Sharpless".

Marvin E. Sharpless
Treasurer and Chief Financial Officer
First Communications

Indianapolis, Indiana

Chicago, Illinois

firstcomonline.com

Enclosures (5)

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FIRST COMMUNICATIONS, LLC
INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

June 25, 2004



FIRST COMMUNICATIONS, LLC
INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

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**Bober, Markey, Fedorovich
& Company**

*Certified Public Accountants / Business Advisors
A Professional Corporation*

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

411 Wolf Ledges Parkway
Suite 400
Akron, Ohio 44311-1040
330.762.9785
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Mr. Marv Sharpless
Chief Financial Officer
First Communications, LLC
3340 West Market Street
Akron, Ohio 44333

We have performed the procedures enumerated below, which were agreed to by First Communications, LLC (the "Company"), solely to assist the Company in its compliance with the Federal Communications Commission's ("FCC") requirement for a "System Audit Report" as outlined in section 64.1320 of the FCC's CC Docket No. 96-128 (the "Docket"). The Company's management is responsible for the Company's records related to these procedures. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Company. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Procedure:

Assess whether First Communications, LLC's procedures accurately track calls to completion.

Findings:

We assessed whether First Communications, LLC's procedures accurately track calls to completion by placing ten test calls using a First Communications, LLC 1-866 number and a First Communications, LLC calling card. Five calls were placed from office phones in Ohio, New Hampshire, Tennessee, Utah and Minnesota (three using the 1-866 number and two using the calling card) and five calls were placed from pay phones in Ohio, Maine, Tennessee, Utah and Minnesota (three using the 1-866 number and two using the calling card).

The call detail was obtained for these ten calls in order to determine that the Company's system accurately tracked all of the pertinent information associated with these ten calls including date, time, origination number and location, termination number and location, and whether the call was from a payphone or not. For two of the calls made from payphones, the system did not indicate they were payphone calls. We obtained the raw call detail records for these two calls and determined that the payphone information digits were not present in the call information digits that were transmitted by the local phone service provider. Since this information was missing, First Communications, LLC's system was unable to use call information digits to determine the call had originated from a payphone.

Based on our procedures, it appears that as of the date of our report the Company's system did accurately track our test payphone calls to completion when the proper payphone information digits were included in the raw call detail record transmitted by the local phone service provider from which the call originates. When the payphone information digits were not transmitted, the call was not identified as a payphone call; however, based on a legal opinion provided by the Company's external legal counsel, the Company is not obligated to track payphone calls not containing the payphone indicator digits in order to comply with the Docket. It should be noted that the testing scope of ten test calls was determined by the Company, and does not represent a statistical or non-statistical sample. Therefore, sampling risk may exist that would not have been detected by our procedures.

2. **Procedure:**

Assess whether First Communications, LLC has a person or persons responsible for tracking, compensating, and resolving disputes concerning payphone completed calls.

Findings:

We assessed whether First Communications, LLC has a person or persons responsible for tracking, compensating, and resolving disputes concerning payphone completed calls. The Company has appointed three individuals to handle these responsibilities, with each person handling one of them. The Company has also appointed a back-up person for each of these responsibilities. Tracking is handled by Mike Leedy, Director of Information Technology, and his back-up is Beth Griffin, Billing Analyst. Compensation is handled by Marv Sharpless, Chief Financial Officer, and his back-up person is Frank Lommano, Controller. Dispute resolution is handled by Byron Fruehling, Network Analyst, and his back-up person is Chris Nichols, Manager of Network Operations.

Therefore, as of the date of our report, the Company had people responsible for tracking, compensating, and resolving disputes concerning payphone completed calls.

3. **Procedure:**

Assess whether First Communications, LLC has effective data monitoring procedures.

Findings:

We assessed whether First Communications, LLC has effective data monitoring procedures. Payphone data is monitored and flagged by reading the payphone information digits received on the respective call detail record. First Communications, LLC tracks the following information digits: 25 27 29 70. These information digits are stored in a data area within the Company's billing system (Teleflex) called 'payphoneid'. As discussed in the findings for procedures #1 and #5, this monitoring is limited if the payphone information digits are not transmitted by the local phone service provider in the raw call detail records.

Therefore, as of the date of our report, the Company had effective data monitoring procedures.

4. **Procedure:**

Assess whether First Communications, LLC adheres to established protocols to ensure that any software, personnel or any other network changes do not adversely affect its payphone call tracking ability.



Findings:

We assessed whether First Communications, LLC adheres to established protocols to ensure that any software, personnel or any other network changes do not adversely affect its payphone call tracking ability.

As discussed in the findings for procedure #2 above, the person assigned the responsibility of tracking has a back-up to ensure personnel changes do not adversely affect payphone call tracking ability.

As discussed in the findings for procedure #3 above, the Company uses four information digits (25, 27, 29 and 70) to identify payphone calls from call detail records. The individual with the responsibility for tracking payphone calls ensures that if additional payphone information digits come into existence, or modifications to the established payphone information digits occur, that the change is made in the tracking system in the Company's software system.

No major changes have been made to the Company's system since 1992 which utilizes an IBM AS/400. A redundant system is in place with real-time replication and the master payphone detail file is backed up daily. The back-up is in a format that can easily be imported to any standard database program in the case of a disaster.

Therefore, as of the date of our report, the Company was adhering to established protocols to ensure that any software, personnel or any other network changes do not adversely affect its payphone call tracking ability.

5. **Procedure:**

Assess whether First Communications, LLC has created a compensable payphone call file by matching detail records against payphone identifiers.

Findings:

We assessed whether First Communications, LLC has created a compensable payphone call file by matching detail records against payphone identifiers. The Company maintains a master compensable payphone file (named 'Tollpp'), which is updated monthly. The update is performed by pulling all call detail records, with payphone origination, from the billing system's (Teleflex) toll file for the previous month's calls. These calls are flagged (field name in the toll file is TFLAG1) with a 'P'. (Note: this identifier (P), is placed on the billing call detail record by Teleflex's rating engine, which determines if the call is payphone originated by comparing the information digit passed in the raw call detail record to Teleflex's payphoneid data area).

If the payphone indicator information digit is missing from the raw call detail record, the call will not be identified as a payphone originated call and placed in the master compensable payphone file; however, as noted in #1 above, the Company is not obligated to track payphone calls not containing the payphone indicator digits in order to comply with the Docket. The master compensable payphone file is compared to a listing of payphone anis provided to the Company by various clearing houses and payphone service providers in order to determine what is owed to payphone service providers on a quarterly basis.

During our procedures, we requested that the Company compare their complete toll file to the listing of payphone anis provided by the clearing houses and payphone service providers for



the period between February 15, 2004 and March 31, 2004. The results of the process indicated that there were additional payphone anis in the complete toll file that were not included in the master compensable payphone file. The difference was due to payphone originated calls whose raw call detail records did not include payphone indicator information digits. Calls which, as noted above, the Company is not obligated to track.

Therefore, as of the date of our report, the Company had created a compensable payphone call file by matching detail records against payphone identifiers.

6. **Procedure:**

Assess whether First Communications, LLC has procedures to incorporate call data into required reports.

Findings:

We assessed whether First Communications, LLC has procedures to incorporate call data into required reports. The standard procedure that is followed is to first upload the data that is supplied by the payphone service provider to a database located on the AS/400. This file is called 'Payphone1q' and contains fields for not only the payphone number, but also a field to identify the service provider if the data is sent via a clearing-house. The data in 'Payphone1q' is then matched with the master compensable file ('Tollpp') and filtered for the timeframe in question to create a summary report of total calls for the given period. This data is also downloaded into a comma-delimited file, which includes the payphone ani, as well as the toll free number that was called. In addition, another file is generated from the above data (in the same format) that lists each payphone ani, along with the total number of calls made from that ani for the respective quarter.

Therefore, as of the date of our report, the Company had procedures to incorporate call data into required reports. It should be noted however, that the reporting is limited to the extent that payphone calls are transmitted by the local phone service provider with the payphone indicator digits in the raw data detail. If a payphone call does not contain the payphone indicator digits, the Company's reporting will not include the call in the reporting.

7. **Procedure:**

Assess whether First Communications, LLC has implemented procedures and controls needed to resolve payphone compensation disputes.

Findings:

We assessed whether First Communications, LLC has implemented procedures and controls needed to resolve payphone compensation disputes. The Company maintains all call data within its own in-house billing system, which is housed on the AS/400 platform described in procedure # 4. On occasion, older calls will be moved from the billing system onto an archive server. These calls are still accessible and can be retrieved if required for the completion of a payphone compensation dispute. The Payphone Service Provider (PSP) must present in writing to the Dispute Resolution Contact (DRC), all the pertinent information regarding the dispute. The DRC will work with the Company's tracking and compensation contacts to determine the validity of the dispute. The PSP will receive a written resolution notice from the Company within 30 calendar days of the date the written notice is received.

Therefore, as of the date of our report, the Company had implemented procedures and controls needed to resolve payphone compensation disputes.



8. **Procedure:**

Assess whether Bober, Markey, Fedorovich & Company can test all critical controls and procedures to verify that errors are insubstantial.

Findings:

We assessed that we could test all critical controls and procedures specific to, and limited to, our testing procedures enumerated above. See the findings reported herein for each of the procedures performed.

9. **Procedure:**

Assess whether First Communications, LLC has in place adequate and effective business rules for implementing and paying payphone compensation, including rules used to: (i) identify calls originated from payphones; (ii) identify compensable payphone calls; (iii) identify incomplete or otherwise noncompensable calls; and (iv) determine the identities of the payphone service providers to which First Communications, LLC owes compensation.

Findings:

By performing the procedures described in this report, we assessed that, as of the date of our report, First Communications, LLC appeared to have in place adequate and effective business rules for implementing and paying payphone compensation which includes rules used to identify payphone originated calls (when the proper payphone indicator information digits are transmitted by the local phone service provider), identify compensable and noncompensable or incomplete payphone calls and determine the identities of the payphone service providers to which they owe compensation.

In addition to the procedures documented earlier in this report, we performed a walk through for five payphone originated calls from the data gathering stage to inclusion in payment to the payphone service providers or clearing houses. Five calls with payphone indicator digits in the raw call data were selected haphazardly. The calls were traced into the compensation payphone file without exception. The calls were also traced to the detail of anis included in the calculation of payments due to payphone service providers or clearing houses for artis provided to First Communications for payment without exception. This process further supports the statement in the paragraph above. It should be noted that the testing scope of five calls was determined by the Company, and does not represent a statistical or non-statistical sample. Therefore, sampling risk may exist that would not have been detected by our procedures.

Therefore, as of the date of our report and subject to the limitations of the number of transactions that we tested, the Company was effective at identifying payphone originated calls that were coded with payphone information digits.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion, on the Company's payphone call tracking system. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of First Communications, LLC for its filings with the FCC, each payphone service provider for which it completes calls and each facilities-based long



distance carrier from which it receives payphone calls, and should not be used by anyone other than these parties.

Bober, Markey, Fedorovich & Company is not required to update this report, however, we would be happy to assist with further analysis if you so desire.

We sincerely appreciate the opportunity to be of service to First Communications, LLC and would be happy to further discuss any concerns or questions you may have with regard to the comments contained in this report.

Bober, Markey, Fedorovich & Company

BOBER, MARKEY, FEDOROVICH & COMPANY

June 25, 2004



A



3340 West Market St
Akron, OH 44333
1-888-FIRSTCC

June 25, 2004

Bober, Markey, Fedorovich & Company
411 Wolf Ledges
Suite 400
Akron, OH 44311-1040

In connection with your engagement to apply agreed-upon procedures in compliance with the Federal Communications Commission's ("FCC") requirement for a "System Audit Report" as outlined in section 64.1320 of the FCC's CC Docket No. 96-128, we confirm, to the best of our knowledge and belief, the following representations made to you during your engagement.

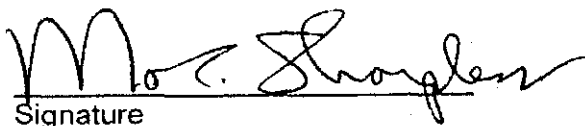
1. We have communicated to you of all information, which we are aware that may contradict the findings for the period.
2. We are responsible for selecting the criteria and for determining that such criteria are appropriate for our purposes, including the number of phone calls tested.
3. We have responded fully to all inquiries made to us by you during the engagement.
4. We are in compliance with section 64.1310(a)(1) of the FCC's regulations with regards to our payphone call tracking system.
5. We identify payphone originated calls by using the raw data detail records transmitted by the local phone service providers with the payphone indicator information digits included.
6. We identify compensable payphone calls by comparing all calls with payphone indicator information digits in their raw data detail records with lists of payphone anis provided to us by payphone service providers and clearing-houses.
7. We identify incomplete or noncompensable calls by the lack of payphone indicator digits in the raw data detail records or calls that do not match the list of payphone anis provided to us by payphone service providers and clearing-houses.
8. We identify the payphone service providers to which we owe compensation to by comparing our compensable payphone file to the list of payphone anis provided to us by payphone service providers and clearing-houses.

Indianapolis, Indiana

Chicago, Illinois

Indianapolis, Indiana

9. We use two main clearing houses for purposes of determining which payphone service providers we owe compensation. They are APCC and TelcoSolutions.
10. The information we need from payphone service providers in order to compensate them is a list of payphone anis. This assumes that the payphone indicator info digits are transmitted from the local phone service provider in the call raw data detail record.
11. Your report is intended solely for the information and use of First Communications, LLC for its filings with the Federal Communications Commission, each payphone service provider for which we complete calls and each facilities-based long distance carrier from which we receive payphone calls, and should not be used by anyone other than these parties.
12. It is the responsibility of payphone service providers to contact us and provide us with payphone ani's in order to receive payment.


Signature

6/25/04
Date